
Introduced by Committee on Budget and Fiscal Review

February 27, 2003

An act to amend Section 95 of the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1058, as introduced, Committee on Budget and Fiscal Review. Local government finance.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined.

This bill would correct erroneous cross-references in these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 95 of the Revenue and Taxation Code is
- 2 amended to read:
- 3 95. For the purpose of this chapter:
- 4 (a) "Local agency" means a city, county, and special district.
- 5 (b) "Jurisdiction" means a local agency, school district,
- 6 community college district, or county superintendent of schools.
- 7 A jurisdiction as defined in this subdivision is a "district" for

1 purposes of Section 1 of Article XIII A of the California
2 Constitution.

3 For jurisdictions located in more than one county, the county
4 auditor of each county in which that jurisdiction is located shall,
5 for the purposes of computing the amount for that jurisdiction
6 pursuant to this chapter, treat the portion of the jurisdiction located
7 within that county as a separate jurisdiction.

8 (c) “Property tax revenue” includes the amount of state
9 reimbursement for the homeowners’ exemption. “Property tax
10 revenue” does not include the amount of property tax levied for
11 the purpose of making payments for the interest and principal on
12 either of the following:

13 (1) General obligation bonds or other indebtedness approved
14 by the voters prior to July 1, 1978, including tax rates levied
15 pursuant to Part 10 (commencing with Section ~~45000~~ 15100) of
16 Division 1 of, and Sections ~~39308~~ 17409 and ~~39311~~ 17413 and
17 former Sections 81338 and 81341 of the Education Code, and
18 Section 26912.7 of the Government Code.

19 (2) Bonded indebtedness for the acquisition or improvement of
20 real property approved by two-thirds of the voters on or after June
21 4, 1986.

22 (d) “Taxable assessed value” means total assessed value minus
23 all exemptions other than the homeowners’ and business inventory
24 exemptions.

25 (e) “Jurisdictional change” includes ~~a change of organization,~~
26 ~~as defined in Section 35027 of the Government Code,~~ an
27 incorporation, as defined in Section ~~35037~~ 56043 of the
28 Government Code, ~~a municipal reorganization, as defined in~~
29 ~~Section 35042 of the Government Code,~~ a change of organization,
30 as defined in Section 56021 of the Government Code, a formation,
31 as defined in Section ~~56042~~ 56039 of the Government Code, and
32 a reorganization, as defined in Section ~~56068~~ 56073 of the
33 Government Code. “Jurisdictional change” also includes any
34 change in the boundary of those special districts that are not under
35 the jurisdiction of a local agency formation commission.

36 “Jurisdictional change” also includes a functional
37 consolidation where two or more local agencies, except two or
38 more counties, exchange or otherwise reassign functions and any
39 change in the boundaries of a school district or community college
40 district or county superintendent of schools.

(f) “School entities” means school districts, community college districts, the Educational Revenue Augmentation Fund, and county superintendents of schools.

(g) Except as otherwise provided in this subdivision, “tax rate area” means a specific geographic area all of which is within the jurisdiction of the same combination of local agencies and school entities for the current fiscal year.

In the case of a jurisdictional change pursuant to Section 99, the area subject to the change shall constitute a new tax rate area, except that if the area subject to change is within the same combinations of local agencies and school entities as an existing tax rate area, the two tax rate areas may be combined into one tax rate area.

Existing tax rate areas having the same combinations of local agencies and school entities may be combined into one tax rate area. For the combination of existing tax rate areas, the factors used to allocate the annual tax increment pursuant to Section 98 shall be determined by calculating a weighted average of the annual tax increment factors used in the tax rate areas being combined.

(h) “State assistance payments” means:

(1) For counties, amounts determined pursuant to subdivision (b) of Section 16260 of the Government Code, increased by the amount specified for each county pursuant to Section 94 of Chapter 282 of the Statutes of 1979, with the resultant sum reduced by an amount derived by the calculation made pursuant to *former* Section 16713 of the Welfare and Institutions Code.

(2) For cities, 82.91 percent of the amounts determined pursuant to subdivisions (b) and (i) of Section 16250 of the Government Code, plus for any city an additional amount equal to one-half of the amount of any outstanding debt as of June 30, 1978, for “museums” as shown in the Controller’s “Annual Report of Financial Transactions of Cities for Fiscal Year 1977–78.”

(3) For special districts, 95.24 percent of the amounts received pursuant to Chapter 3 (commencing with Section 16270) of Part 1.5 of Division 4 of Title 2 of the Government Code, Section 35.5 of Chapter 332 of the Statutes of 1978, and Chapter 12 of the Statutes of 1979.

(i) “City clerk” means the clerk of the governing body of a city or city and county.

1 (j) “Executive officer” means the executive officer of a local
2 agency formation commission.

3 (k) “City” means any city whether general law or charter,
4 except a city and county.

5 (l) “County” means any chartered or general law county.
6 “County” includes a city and county.

7 (m) “Special district” means any agency of the state for the
8 local performance of governmental or proprietary functions
9 within limited boundaries. “Special district” includes a county
10 service area, a maintenance district or area, an improvement
11 district or improvement zone, or any other zone or area, formed for
12 the purpose of designating an area within which a property tax rate
13 will be levied to pay for a service or improvement benefiting that
14 area. “Special district” includes the Bay Area Air Quality
15 Management District. “Special district” does not include a city, a
16 county, a school district or a community college district. “Special
17 district” does not include any agency that is not authorized by
18 statute to levy a property tax rate. However, any special district
19 authorized to levy a property tax by the statute under which the
20 district was formed shall be considered a special district.
21 Additionally, a county free library established pursuant to Article
22 1 (commencing with Section 19100) of Chapter 6 of Part 11 of
23 Division 1 of Title 1 of the Education Code, and for which a
24 property tax was levied in the 1977–78 fiscal year, shall be
25 considered a special district.

26 (n) “Excess tax school entity” means an educational agency
27 for which the amount of the state funding entitlement determined
28 under Section 2558, 42238, 84750, or 84751 of the Education
29 Code, as appropriate, is zero.